IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF DELAWARE

UNITED STATES OF AMERICA,

For the use of JJID, Inc.,

Plaintiff

C.A. No. 05-128-MPT

v.

NASON CONSTRUCTION

INCORPORATED and TRAVELERS

CASUALTY AND SURETY COMPANY

OF AMERICA,

Defendants

Stipulation of Settlement and Dismissal

Plaintiff JJID, Inc. ("JJID") and defendants Nason Construction, Inc. ("Nason") and Travelers Casualty and Surety Co. of America ("Travelers") (collectively the "Parties") stipulate and agree as follows:

WHEREAS, Nason and the United States Army Corps of Engineers ("USACE") entered into USACE contract DACA61-02-C-0001, pursuant to which Nason served as general contractor for the construction of a new mortuary on Dover Air Force Base, in Dover, Delaware ("the Project");

WHEREAS, Nason and JJID entered into a subcontract on or about June 14, 2002 ("the Subcontract"), requiring JJID to perform certain work in connection with the Project, in exchange for the payment of consideration as set forth in the Subcontract;

WHEREAS, Travelers is the surety on the Performance and Payment Bonds dated January 29, 2002, in which Nason is named as principal with respect to United States Army Corps of Engineers contract DACA61-02-C-0001;

WHEREAS, a dispute arose between JJID and Nason regarding amounts owed by and between the parties in connection with work performed on the Project;

WHEREAS, as a result of this dispute, JJID sued Nason and Travelers in the above-captioned lawsuit ("the Lawsuit"), seeking as damages amounts that JJID claimed that Nason owed to it in connection with the Project;

WHEREAS, Nason and Travelers filed a counterclaim against JJID, seeking as damages amounts that Nason claimed that JJID owed to it in connection with the Project;

WHEREAS, the Parties have utilized mediation and settlement discussions to attempt to resolve the disputes between them that are at issue in the Lawsuit or that otherwise arose from the Project;

WHEREAS, as a result of those mediation and settlement discussions, the Parties reached a settlement and entered into a Mutual Release, in exchange for which Nason paid to JJID the sum of \$90,000.

Nason, Travelers, and JJID, intending to be legally bound, stipulate and agree that:

1. Through their settlement and Mutual Release, they have finally and fully settled and resolved any claims, disputes or disagreements between or among them arising or connected in any way to the Project, including the Lawsuit.

2. Because the parties have resolved the dispute that was the subject of the

Lawsuit, the Court should enter the attached Order dismissing this case.

Respectfully submitted,

KLETT ROONEY LIEBER &

SCHORLING

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Attorneys for Defendants/Counterclaim Plaintiffs Nason Construction, Inc. and Travelers Casualty and Surety Co. of America

Dated: November 22, 2005

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